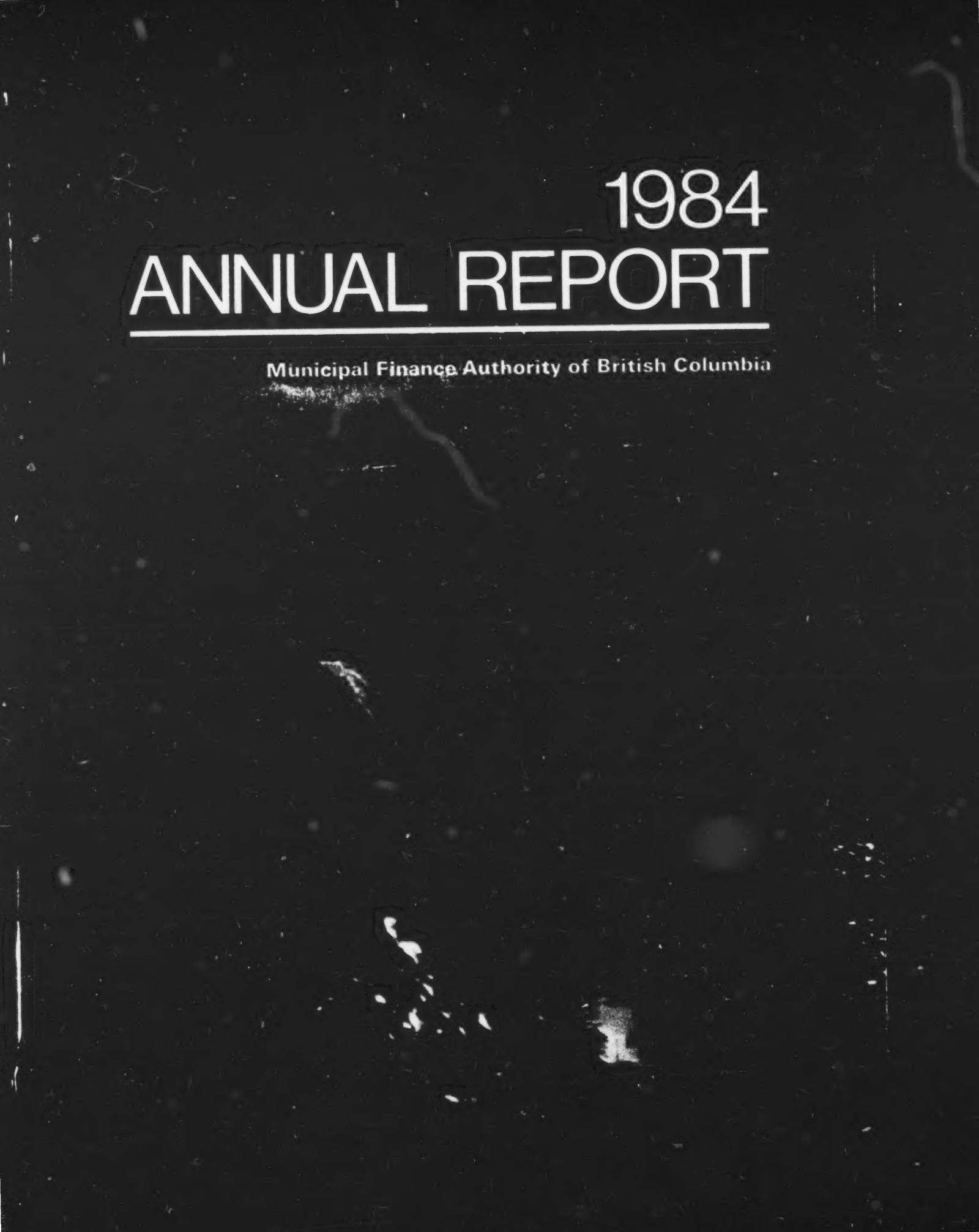
1984 ANNUAL REPORT

Municipal Finance Authority of British Columbia



85-6707/

Municipal Finance Authority of British Columbia

100 INTERNATIONAL HOUSE, 880 DOUGLAS STREET, VICTORIA, B.C. V8W 2B7

Contents

Members and Officers — 1984	4
Chairman's Report — 1984	5
How the Municipal Finance Authority of British Columbia Functions	10
Schedule of Loans to Regional Districts Outstanding at December 31, 1984	13
The Growth and Stability of British Columbia's Municipalities	14
Auditors' Report and Financial Statements	17
Ten-Year Review — Combined Funds	36
Brief Description of Outstanding Bond Issues	
— Canadian Dollar Bonds Issued in Canada	38
— Canadian Dollar Bonds Issued in Europe	46
— U.S. Dollar Bonds Issued in Europe	46
— U.S. Dollar Bonds Issued in the United States	48

COVER PHOTO

Lava Lake, Northwestern B.C. *Courtesy Tourism B.C.*

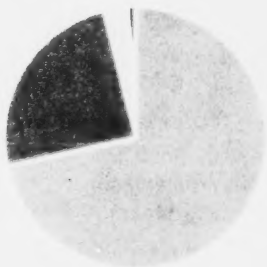
Cathedral Grove, Vancouver Island *Courtesy Tourism B.C.*

Annual Statement Highlights

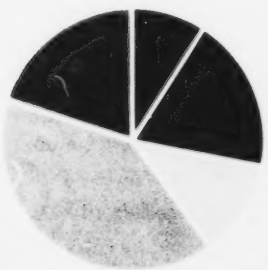
	MILLIONS OF DOLLARS	
	DECEMBER 31 1984	DECEMBER 31 1983
Total assets — combined funds	1,325	1,244
Loans to Regional Districts outstanding	1,127	1,074
Long-term debt outstanding (net of sinking funds)	1,148	1,089
Investments (including sinking funds)	139	108
Number of Regional and Water Districts participating	29	29
Number of Municipalities participating	136	136

NEW LONG-TERM DEBT ISSUED IN 1984 — BY CURRENCY OF PAYMENT

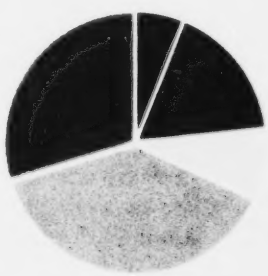
LONG-TERM DEBT OUTSTANDING AT DECEMBER 31, 1984 — BY CURRENCY OF PAYMENT



NEW LOANS TO REGIONAL DISTRICTS IN 1984 — BY PURPOSE



TOTAL LOANS TO REGIONAL DISTRICTS 1971-1984 — BY PURPOSE



Members and Officers — 1984

MEMBER	REGIONAL DISTRICT
Alderman J. Stanhope	*Alberni-Clayoquot Regional District*
Director G. E. McFee	*Bulkley-Nechako Regional District*
Alderman H. F. Sturrock	*Capital Regional District*
Mayor R. G. Marks	*Cariboo Regional District*
Director W. Parr	*Central Coast Regional District*
Mayor H. DeJong	*Central Fraser Valley Regional District*
Alderman G. E. MacNeill	*Central Kootenay Regional District*
Alderman J. H. Stuart	*Central Okanagan Regional District*
Director D. Crandall	*Columbia-Shuswap Regional District*
Director K. A. Hudson	*Comox-Strathcona Regional District*
Director G. Giles	*Cowichan Valley Regional District*
Mayor D. Griffin	*Dewdney-Alouette Regional District*
Director J. Smith	*East Kootenay Regional District*
Director E. Pretty	*Fraser-Cheam Regional District*
Alderman A. Stauble	*Fraser-Fort George Regional District*
Mayor E. Burnett	*Greater Vancouver Regional District*
Alderman A. H. Emmott	*Greater Vancouver Regional District*
Mayor D. Humphreys	*Greater Vancouver Regional District*
Mayor J. E. Loucks	*Greater Vancouver Regional District*
Mayor D. A. Ross	*Greater Vancouver Regional District*
Alderman L. Ellis	*Kitimat-Stikine Regional District*
Mayor L. C. Haas	*Kootenay Boundary Regional District*
Mayor G. Popovich	*Mount Waddington Regional District*
Director G. S. Wright	*Nanaimo Regional District*
Mayor N. R. P. Duke	*North Okanagan Regional District*
Director D. R. McDougall	*Okanagan-Similkameen Regional District*
Director D. Edwards	*Peace River-Liard Regional District*
Director L. Emmonds	*Powell River Regional District*
Mayor P. J. Lester	*Skeena-Queen Charlotte Regional District*
Director R. D. Cumming	*Squamish-Lillooet Regional District*
Director J. Gurney	*Sunshine Coast Regional District*
Alderman P. A. Wallace	*Thompson-Nicola Regional District*

BOARD OF TRUSTEES

Alderman J. H. Stuart, CHAIRMAN
Director R. D. Cumming
Alderman A. H. Emmott
Mayor R. G. Marks
Mayor D. A. Ross
Alderman H. F. Sturrock
Alderman P. A. Wallace

OFFICERS

CHAIRMAN:
Alderman J. H. Stuart

ACTING CHAIRMAN:
Mayor D. A. Ross

SECRETARY-TREASURER:
J. R. Craven

DEPUTY SECRETARY-TREASURER:
W. C. Greer

AUDITORS

PEAT, MARWICK, MITCHELL & CO.
VANCOUVER, B.C.

SOLICITORS: BOND COUNSEL

FARRIS, VAUGHAN, WILLS & MURPHY
VANCOUVER, B.C.

SOLICITORS: GENERAL COUNSEL

COX, TAYLOR, BRYANT
VICTORIA, B.C.

Chairman's Report — 1984

TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Alderman James H. Stuart
CHAIRMAN

It is my pleasure and privilege to submit the fourteenth annual report of the Municipal Finance Authority of British Columbia.

In the spring of 1984, there was a great deal of pessimism over two economic factors, the first was inflation and the second interest rates. Economic forecasters seemed doubtful that inflation was in fact "beaten" — some were certain that inflation would rekindle pressed by the buoyant U.S. economy, which, by March of the year, was exceeding everyone's expectations. The concern about interest rates and the effect a rising inflation rate would have on short-term and long-term rates was logical. These concerns heightened by early April, and the slow start to recovery experienced by the Canadian economy, combined to compound the problems of funding our spring issue. Economic forecasts which indicated rising rates through 1984 made investors more and more nervous about long-term financings and they were looking for escape clauses permitting them to sell out and move to higher rates if necessary. This investor nervousness was instrumental in persuading the Board of Trustees to be innovative. We launched a $60,300,000 6-year issue retractable to May 15, 1987 which yielded 12⅝%. The issue sold very well in an otherwise poor Canadian market.

At that time, other Canadian local governments with similar credit ratings paid as high as 14.10% for eight- to ten-year terms and 13.40% for one- to five-year terms. The retractable feature of the issue was largely responsible for its success, and proved again, the value of a fresh, innovative approach to the market place.

As we moved into summer, rates continued to rise. The U.S. industrial machine continued to forge ahead. Eastern Canada experienced economic recovery, particularly in Ontario and Quebec where the auto industry enhanced the effects of a U.S. recovery. In the West, noticeably B.C. and Alberta, things remained flat. By late August, concerns about inflation and crowding out caused by U.S. and Canadian governments' deficits had reached a fever pitch. Investors

were concerned that industrial demands for funds, when added to the massive requirement for funds by the U.S. and Canadian Federal governments, would cause continued rising rates and renew pressure on the low inflation rate.

At our semi-annual meeting in late September, our members approved a $30.5 million issue. The Trustees then waited patiently for 20-year rates to improve. By that time there were subtle signs that U.S. industrial growth had begun to slow. Inflation rates had not risen as projected and, in fact, some economists were projecting disinflation as a more likely scenario. Throughout October, economic indicators continued to confirm that the U.S. economy was about to make a soft landing rather than plunge abruptly from high activity to another recession. During the first week of October, 20-year rates crested at 13.70% and started a long process of rising and falling with some dramatic and volatile activity. Rates improved rapidly after the second week in October, and our fall issue was finally launched in Canada at 12:00 noon on October 18th at 13% at par. We obtained a call feature in the 15th year which is increasingly important to us as our sinking funds continue to be retired ahead of schedule. This issue managed to tighten our spread off Ontario Hydro to only 16 basis points, and a 20-year term was welcome after the increasingly shorter terms we have been financing for the last three years.

Annual requirements for funds in 1984 are worthy of mention. In 1982 and 1983, our annual requirements exceeded $150 million. This year our total annual requirement was $91 million. The combined effects of the B.C. recession, restraint at the municipal and provincial levels, and a change in the financing structure for water and sewer projects have all contributed to reduced borrowing. This comes at a time when some of our shorter term issues will be rolling over. In 1985, rollovers will add to our current requirements and add to our overall borrowing.

The year 1984 was something of a watershed year for the Municipal Finance Authority. The year ended successfully with a number of promised changes finally resolved. We moved to new quarters on the first floor of our office building which includes a vault and space for our computer hardware.

The conversion to our on-site I.B.M. hardware is now complete and working well. There is a growing recognition that increasingly our staff's activities are in the area of sinking fund administration. This will result in further enhancement to our existing software so that the management of the various funds can be carried out with greater speed and the same accuracy. In 1985 and 1986, we plan to develop additional programmes to satisfy the needs of our municipalities for information about the status of a particular issue and, more particularly, the maturity of that issue. Recently, an analysis was carried out on each sinking fund which projected an estimate of when each fund would mature.

At the end of the year the total of long-term debt outstanding was $1,195.5 million. In terms of currency exposure, the total breaks down as follows: Canadian $858.3 million or 71.8%, U.S. $298 million or 24.9%, Swiss francs $37.2 million or 3.1%, and Deutschemarks $2 million or 0.2%. This compares favourably to the close of 1976 when the total of long-term debt outstanding was $312 million, 63.9% of which was denominated in U.S. dollars.

During 1984, payments of principal and interest in excess of $175 million were received from our regional districts and municipalities. At the close of the year the total of investments managed was $139.2 million. These investments break down as follows:

Debt Reserve Fund $29.6 million.

Sinking and related debt servicing funds $109.6 million.

Interest earnings in 1984 totalled $15.1 million.

The types of investments which may be held by the Authority are regulated by the Municipal Finance Authority Act. At December 31, 1984 the portfolio consisted of $24 million of securities of or guaranteed by the Government of Canada, $22 million of securities of or guaranteed by Provincial governments, $58.7 million of securities of or guaranteed by Canadian chartered banks, $1.5 million of securities of B.C. credit unions, $2.3 million of securities issued directly by B.C. municipalities, regional districts or water and sewer districts and $30.7 million of obligations of the Municipal Finance Authority of British Columbia.

At this time, I would like to thank the Ministry of Municipal Affairs and the Ministry of Finance for the ongoing support they provide to the Municipal Fi-

nance Authority. The inter-change between the staff of MFABC, Municipal Affairs and Finance has always been a valuable feature of our operation and the usefulness of this arrangement continues to impress me.

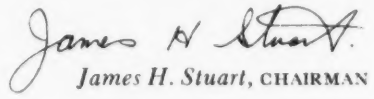
It is an opportune time to acknowledge that our previous Secretary-Treasurer, David Wilson left Victoria in February of 1984 to join Wood Gundy Inc., to work out of Toronto as Vice President, Government Finance. The Board of Trustees and myself wish him well and are very appreciative of the eight years that he served the Authority. James Craven assumed the Secretary-Treasurer's responsibilities on May 1, 1984.

1985 will see many changes on the financial side. Inflation rates still appear to be at a very low level of 4% to 5% in both the U.S. and Canada. It will be interesting to see if the very high real rate of interest (the difference between the inflation rate and the prime rate) can be sustained for yet another year. Although our prime rate has been projected by some to be as low as 9% by the close of 1986, the real rate of interest is still extremely high if inflation stays at 4%.

As telerate screens and computers link up more of the world in second by second communication, it becomes increasingly important to respond with speed and proper research when raising money on the international bond market. We are watching the moderization of the Japanese bond markets with increasing interest. Our position at the Authority is clear. We want to do business in Canadian currency and under Canadian law, and our Japanese bankers are extremely active in trying to deliver under those guidelines.

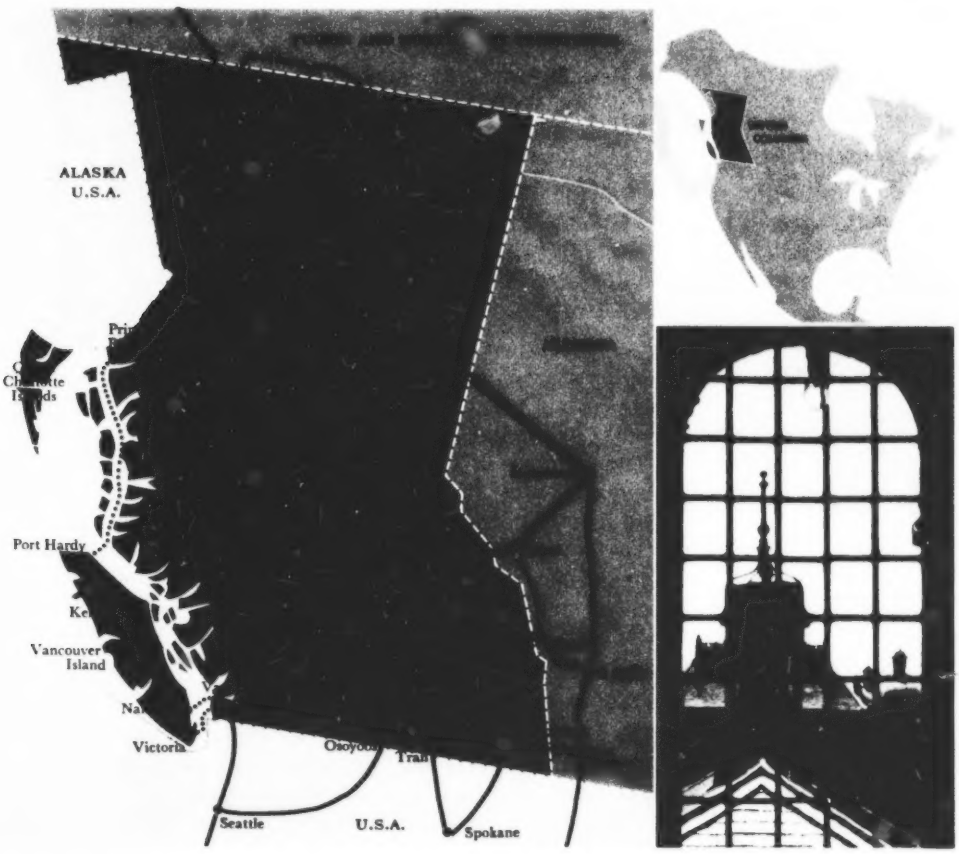
I am encouraged at the progress that both Canada and the U.S. have made in keeping inflation rates low. It would be my hope that in the coming year we will see some real attempt to cut back the deficit in both countries. A lower interest rate in 1985 may allow that to happen with more ease than has been the case in prior years.

We look forward to better financing opportunities in 1985, and, in conclusion, I would like to express my thanks to the Board of Trustees and to the staff for their help during a very interesting year. My role as Chairman has been made much easier as a result of everyone's dedication to their individual jobs.



James H. Stuart, CHAIRMAN

Naramata, South of Kelowna *Courtesy Tourism B.C.*



"The object of the authority is to provide financing of capital requirements for regional districts and for their member municipalities by the issue of its debentures, or other evidence of indebtedness, and lending the proceeds from them to the regional district on whose request the financing is undertaken."

Municipal Finance Authority Act, Revised Statutes of British Columbia, 1979.

How the Municipal Finance Authority of British Columbia Functions

Responsibility

The Municipal Finance Authority of British Columbia was created in 1970 by the Municipal Finance Authority of British Columbia Act of the Legislative Assembly of the Province of British Columbia. The Act was amended in 1971, 1972, 1973, 1977, 1981 and 1983.

Regional districts and municipalities in British Columbia finance through the Authority all long-term capital requirements except those met by senior levels of government.

The City of Vancouver is the only municipality in the Province which retains the right to issue its own debentures to finance capital projects. Taxable land and improvements within the City of Vancouver are, nevertheless, subject to rates levied by the Municipal Finance Authority.

Representation

The Province of British Columbia is divided into twenty-eight regional districts, each of which is governed by a Regional Board consisting of representatives of its member municipalities and unincorporated areas.

The members of the Municipal Finance Authority are appointed by the Regional Boards; the number of members to which a regional district is entitled is based upon its population.

The executive and administrative powers and duties of the Authority are exercised and performed by a Board of Trustees elected annually by the members and consisting of the Chairman of the Authority and six other members. The Capital Regional District and the Greater Vancouver Regional District must be represented on the Board of Trustees.

Funding

When the municipalities, through the regional districts, and the regional districts on their own behalf, wish to finance their capital projects, they present their approved requests to the Municipal Finance Authority.

Taking into account market and economic conditions pertaining, the members of the Authority may authorize the issue and sale of debentures in an amount sufficient to meet the requests.

Debentures, not exceeding the amount authorized, may then be issued at such rates and pursuant to such terms and conditions and in such markets and currencies as the Trustees may determine.

Both serial and sinking fund debentures may be issued. In the case of sinking fund debentures, the Act provides for the creation, management and application of sinking funds to secure the repayment of the debentures including the redemption of debentures issued subject to redemption in advance of maturity.

A separate account is maintained for each sinking fund debenture issue and moneys at the credit of a sinking fund which cannot be immediately applied toward paying the debt or discharging the obligation may be invested or reinvested in:

(a) securities of the government of Canada or a province of Canada, or

(b) securities, the principal and interest of which are guaranteed by the government of Canada or a province of Canada, or

(c) securities of a regional district or municipality in British Columbia maturing not later than the debentures for which the sinking fund was created, or

(d) investments guaranteed by a Canadian chartered bank, or

(e) deposits in, or shares or other evidences of indebtedness of, a credit union incorporated under the British Columbia Credit Union Act, or

(f) securities of the Municipal Finance Authority of British Columbia maturing not later than the debentures for which the sinking fund was created; however, debentures so purchased must be held to the credit of the sinking fund account and cannot be resold.

Protection for Investors

In British Columbia, the combined credit of all the regional districts and their member municipalities — which together have essentially all the taxable land and improvements in the Province — stands behind the Authority's obligations.

In addition, the Authority has established a debt reserve fund into which all borrowers from the proceeds of debt issues having a term to maturity of over two years must contribute an amount equal to one-half the average annual instalment of principal and interest for repayment of each issue; such amount is payable to the Authority at the time of issue either in full or in an amount equal to one percent of the principal amount borrowed with the balance secured by a non-interest bearing demand note of the regional district issued to the Authority. Moneys paid into the debt reserve fund, and interest earned thereon, are obligations of the Authority to the regional districts and must be refunded to them when the final instalments of their loans have been repaid.

If, at any time, the Authority lacks sufficient funds to meet principal, interest or sinking fund payments due on its obligations, it must utilize the debt reserve fund, all or any part of which is available to satisfy the Authority's obligations, regardless of the sources of the moneys in the fund. In the event that payments are made from the debt reserve fund, the Authority will recover such payments from the regional districts involved in order to restore the debt reserve fund. If the Trustees are of the opinion that payments made from the debt reserve fund will not be recovered within a reasonable period, they may levy upon all taxable land and improvements in the Province a tax sufficient to restore the fund to its required amount. It is mandatory for the Trustees to levy such a tax when the balance in the debt reserve fund is less than fifty percent of the required amount. The Trustees' power to impose taxes does not require the permission or approval of any other governmental authority. Pending the receipt of such taxes, the Authority may borrow an equivalent amount to meet its obligations to debenture holders.

The provincial government has undertaken to assure that the debt reserve fund will be maintained in accordance with the Municipal Finance Authority Act and the Inspector of Municipalities may inspect the fund from time to time and issue a certificate that it has been maintained at the proper level.

Moneys in the debt reserve fund may be invested or reinvested in:

(a) securities of the government of Canada or a province of Canada, or

(b) securities, the principal and interest of which is guaranteed by the government of Canada or a province of Canada, or

(c) deposits in, or investments guaranteed by a Canadian chartered bank, or

(d) deposits in, or shares or other evidences of indebtedness of, a credit union incorporated under the British Columbia Credit Union Act.

Such investments must mature or be callable within five years and at least twenty-five percent of the fund must be callable within ninety days.

Additional Protection for Investors

Regional districts and their member municipalities financing through the Municipal Finance Authority must obtain the same provincial approvals as would be required if they were issuing their own debentures. In this way, all the safeguards imposed by the Provincial Legislature on the incurring of indebtedness by regional and municipal governments are retained. Such safeguards include the requirement that the Inspector of Municipalities approve the debt and user charges, if any, and other taxes to service the debt. In addition, sewer and water projects require the issuance of a certificate of self-liquidation by the Inspector of Municipalities.

Limitations on the borrowing power of a regional district for each function may be specified in its letters patent. The total indebtedness which a municipality may contract is limited to a percentage of the assessed value for general municipal purposes of the taxable land and improvements within the municipality and the value of the utility systems and other municipal enterprises for which the municipality has a subsisting certificate of self-liquidation granted by the Inspector of Municipalities.

Schedule of Loans to Regional Districts

OUTSTANDING AT DECEMBER 31, 1984
THOUSANDS OF DOLLARS

	Principal Outstanding Dec. 31, 1983	1984 New Loans Issued	1984 Principal Repaid	Principal Outstanding Dec. 31, 1984
REGIONAL DISTRICTS				
Alberni-Clayoquot	$ 5,644	505	434	5,715
Bulkley-Nechako	13,818	2,184	440	15,562
Capital	89,420	6,246	3,719	91,947
Cariboo	24,259	7,721	794	31,186
Central Coast	—	—	—	—
Central Fraser Valley	63,654	7,341	1,713	69,282
Central Kootenay	15,073	1,856	450	16,479
Central Okanagan	34,784	4,181	1,132	37,833
Columbia-Shuswap	14,518	1,094	600	15,012
Comox-Strathcona	51,058	979	1,464	50,573
Cowichan Valley	26,005	—	889	25,116
Dewdney-Alouette	46,720	1,577	1,083	47,214
East Kootenay	64,442	3,784	1,820	66,406
Fraser-Cheam	14,391	887	477	14,801
Fraser-Fort George	59,585	3,115	2,100	60,600
Greater Vancouver	202,047	7,838	9,046	200,839
Kitimat-Stikine	14,148	770	785	14,133
Kootenay-Boundary	10,228	1,323	339	11,212
Mount Waddington	5,900	—	178	5,722
Nanaimo	62,153	1,982	1,883	62,252
North Okanagan	24,004	2,575	828	25,751
Okanagan-Similkameen	24,581	2,046	795	25,832
Peace River-Liard	70,347	17,014	2,764	84,597
Powell River	6,052	—	251	5,801
Skeena-Queen Charlotte	17,058	4,749	570	21,237
Squamish-Lillooet	14,673	886	382	15,177
Sunshine Coast	7,741	615	214	8,142
Thompson-Nicola	65,002	9,640	2,260	72,382
WATER DISTRICTS				
Greater Campbell River	3,516	—	87	3,429
Greater Nanaimo	23,679	—	495	23,184
	$ 1,074,500	90,908	37,992	1,127,416

The Growth and Stability of British Columbia's Municipalities

ASSESSMENT

The British Columbia Assessment Authority, a provincially-appointed body, is responsible for assessment throughout the Province.

The fundamental principle underlying the Assessment Act is that land and improvements must be valued at their actual value (i.e., fair market value).

The actual value totals for the Province in the years 1979 to 1984 were as follows:

1979	$ 81.5 billion	1982	$ 157.1 billion
1980	$ 94.1 billion	1983	$ 138.3 billion
1981	$ 123.1 billion	1984	$ 140.8 billion

Property is segregated by type or use into property classes prescribed by the Lieutenant Governor in Council.

The value subject to taxation after applicable exemptions is referred to as the net taxable value.

A variable tax rate system was introduced in 1984 which transferred the variability factor from the assessed value to the taxation process controlled by each taxing authority. Municipal and other taxing authorities now set tax rates for each class of property to produce the level of taxation desired.

SOURCE: BRITISH COLUMBIA ASSESSMENT AUTHORITY

TAX LEVIES AND COLLECTIONS

The following table sets forth the tax levies and the collection experience of the regional districts and municipalities in British Columbia for the years 1979 through 1983:

Tax Levies and Collections by the Regional Districts and Municipalities Therein

MILLIONS OF DOLLARS

	1983	1982	1981	1980	1979
Current tax levy	1,685	1,661	1,395	1,108	1,034
Arrears	146	77	46	46	48
Total taxes	1,831	1,738	1,441	1,154	1,082
Current taxes collected	1,586	1,553	1,339	1,077	1,003
Current collections as per cent of current tax levy	94.12%	93.50%	95.99%	97.24%	96.96%
Arrears collected	93	49	34	35	36
Total collections as per cent of current tax levy	99.64%	96.45%	98.42%	100.43%	100.46%

SOURCE: MINISTRY OF MUNICIPAL AFFAIRS

Revenues and Expenditures of the Regional Districts and Municipalities therein

MILLIONS OF DOLLARS

	1983	1982	1981	1980	1979
REVENUES:					
Real property taxes	710	683	558	456	423
Other taxes	107	111	99	85	72
Total taxation	817	794	657	541	495
Contributions, grants and subsidies:					
Federal	23	21	18	16	17
Provincial	278	244	294	237	214
Taxes collected for school authorities	852	862	747	571	535
Other revenues — general	366	369	317	260	215
Other revenues — sewers	43	41	44	38	34
Other revenues — utilities	131	109	98	85	75
	2,510	2,440	2,175	1,748	1,585
Transfers from reserves	50	70	76	39	53
Transfers from surpluses of prior years	23	34	29	27	28
	2,583	2,544	2,280	1,814	1,666
EXPENDITURES:					
General government	181	178	151	121	111
Fire and police	327	311	260	207	188
Public works and sanitation	226	237	195	167	149
Public health	38	38	31	28	25
Social welfare	2	11	34	30	28
Recreation and community services	204	205	167	141	123
Debt charges	252	224	195	161	154
Taxes transmitted to school authorities	857	862	747	571	535
Other expenditures — general	132	132	115	76	55
Other expenditures — sewers	32	32	28	25	20
Other expenditures — utilities	116	78	70	63	56
Contributions to capital — general	79	96	137	99	90
Contributions to capital — sewers	4	4	4	3	3
Contributions to capital — utilities	10	13	11	10	10
	2,460	2,421	2,145	1,702	1,547
Transfers to reserves	85	89	77	75	79
Operating surplus	38	34	58	37	40
	2,583	2,544	2,280	1,814	1,666

SOURCE: MINISTRY OF MUNICIPAL AFFAIRS

Spectacle Lake and Beaver Dam, Bowron Lake Provincial Park *Courtesy Tourism B.C.*

Auditors' Report — 1984

TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

PEAT MARWICK

Peat, Marwick, Mitchell & Co.
Chartered Accountants
2400-1055 West Georgia Street
P.O. Box 11150, Royal Centre
Vancouver, B.C. V6E 3P3
(604) 662-5500

We have examined the balance sheets of the Operating Fund, Debt Fund, Capital Repayment Equalization Fund, Debt Reserve Fund and Market Development Fund of Municipal Finance Authority of British Columbia and the combined balance sheet of these funds as at December 31, 1984, the statements of revenue, expenditure and surplus of each of these funds, the combined statement of revenue, expenditure and surplus of these funds and the Debt Fund statement of debt financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1984, and the results of its operations and the acquisition and application of its financing for the year then ended in accordance with accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Vancouver, British Columbia, Canada
January 31, 1985

CHARTERED ACCOUNTANTS

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Balance Sheets

DECEMBER 31, 1984 — WITH COMPARATIVE FIGURES FOR 1983
THOUSANDS OF DOLLARS

	OPERATING FUND		DEBT FUND	
	1984	1983	1984	1983
Cash	$ 114	144	2,435	1,324
Receivables:				
Due from Operating Fund	—	—	—	—
Due from Capital Repayment Equalization Fund	—	—	33,607	21,824
Accrued interest	3	1	—	—
Other	36	19	—	—
Total receivables	39	20	33,607	21,824
Investments (Note 2)	—	—	—	—
Demand notes receivable from Regional Districts, without interest	—	—	—	—
Loans to Regional Districts (Note 3)	—	—	1,127,416	1,074,500
Deferred receivables from Regional Districts (Note 4)	—	—	21,573	21,573
Unamortized issue costs	—	—	1,100	1,312
	$ 153	164	1,186,131	1,120,533
LIABILITIES AND SURPLUS				
Liabilities:				
Accounts payable and unpresented matured debt	$ 58	26	2,435	2,640
Due to banks	—	—	4,939	4,615
Due to Debt Fund	—	—	—	—
Due to Market Development Fund	28	28	—	—
Due to sinking and other funds (Note 5)	—	—	464	564
Due to Regional Districts (Note 6)	—	—	—	—
Reserves for office relocation and data processing implementation	66	109	—	—
Long-term debt, net (Notes 7, 8 and 9), Schedule	—	—	1,147,629	1,089,348
Total liabilities	152	163	1,155,467	1,097,167
Surplus, per accompanying statement (Note 10)	1	1	30,664	23,366
Commitments (Note 11)				
	$ 153	164	1,186,131	1,120,533

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1984	1983	1984	1983	1984	1983	1984	1983
823	151	286	130	—	—	3,658	1,719
—	—	—	—	28	28	—	—
—	—	—	—	—	—	—	—
1,010	1,321	675	610	—	—	1,688	1,932
—	—	—	—	—	—	36	19
1,010	1,321	675	610	28	28	1,724	1,951
62,456	45,739	29,620	25,229	—	—	92,076	70,968
—	—	77,863	71,867	—	—	77,863	71,867
—	—	—	—	—	—	1,127,416	1,074,500
—	—	—	—	—	—	21,573	21,573
—	—	—	—	—	—	1,100	1,312
64,289	47,211	108,444	97,836	28	28	1,325,410	1,243,920
—	—	14	31	—	—	2,507	2,697
—	—	—	—	—	—	4,939	4,615
33,607	21,824	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	464	564
—	—	108,430	97,805	—	—	108,430	97,805
—	—	—	—	—	—	66	109
—	—	—	—	—	—	1,147,629	1,089,348
33,607	21,824	108,444	97,836	—	—	1,264,035	1,195,138
30,682	25,387	—	—	28	28	61,375	48,782
64,289	47,211	108,444	97,836	28	28	1,325,410	1,243,920

SECRETARY-TREASURER

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Statements of Revenue, Expenditure and Surplus

YEAR ENDED DECEMBER 31, 1984 — WITH COMPARATIVE FIGURES FOR 1983
THOUSANDS OF DOLLARS

	OPERATING FUND		DEBT FUND	
	1984	1983	1984	1983
REVENUE				
Prior year's surplus appropriated	$ 1	4	—	—
Operating levy	351	350	—	—
Recoveries from new issues	190	65	—	—
Gain on purchases of own debentures	—	—	2,031	2,258
Interest from investments	8	7	4,436	3,338
Interest from loans to Regional Districts	—	—	13,544	14,234
Principal from loans to Regional Districts	—	—	—	—
Recovery of deficiencies from Regional Districts	—	—	—	—
Transfers from Operating Fund	—	—	—	—
Transfers from Capital Repayment Equalization Fund	—	—	125,816	107,629
Transfers from Debt Reserve Fund	—	—	408	621
Other	—	—	155	73
Total revenue	550	426	146,390	128,153
EXPENDITURE				
Legislative	57	48	—	—
Administrative	467	352	—	—
Transfers to Debt Fund — capital	—	—	—	—
Transfers to Debt Fund — revenue	—	—	—	—
Transfers to Market Development Fund	25	25	—	—
Interest	—	—	138,879	121,681
Amortization of issue costs	—	—	213	213
Allocations to Regional Districts	—	—	—	—
Other	—	—	—	—
Total expenditure	549	425	139,092	121,894
Excess of revenue over expenditure for the year	1	1	7,298	6,259
Surplus at the beginning of the year not appropriated to current revenue	—	—	23,366	17,107
Surplus at the end of the year	$ 1	1	30,664	23,366

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1984	1983	1984	1983	1984	1983	1984	1983
25,387	20,953	—	—	28	28	25,416	20,985
—	—	—	—	—	—	351	350
—	—	—	—	—	—	190	65
176	201	—	—	—	—	2,207	2,459
7,071	4,906	3,592	3,130	—	—	15,107	11,381
123,876	106,827	—	—	—	—	137,420	121,061
28,891	24,353	—	—	—	—	—	—
—	—	735	201	—	—	735	201
—	—	—	—	25	25	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
29	132	—	—	—	—	184	205
185,430	157,372	4,327	3,331	53	53	181,610	156,707
—	—	—	—	—	—	57	48
—	—	—	—	—	—	467	352
28,891	24,353	81	114	—	—	—	—
125,816	107,629	408	621	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	138,879	121,681
—	—	—	—	—	—	213	213
41	3	3,781	2,558	—	—	3,903	2,675
—	—	57	38	25	25	82	63
154,748	131,985	4,327	3,331	25	25	143,601	125,032
30,682	25,387	—	—	28	28	38,009	31,675
—	—	—	—	—	—	23,366	17,107
30,682	25,387	—	—	28	28	61,375	48,782

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Debt Fund — Statement of Debt Financing

YEAR ENDED DECEMBER 31, 1984 — WITH COMPARATIVE FIGURES FOR 1983
THOUSANDS OF DOLLARS

	1984	1983
FINANCES ACQUIRED		
Gross proceeds from debt issues	$ 90,800	167,300
Loans from sinking and other funds	108	63
	90,908	167,363
Principal repayments from Regional Districts	8,979	8,112
Transfers from Capital Repayment Equalization Fund — net	15,783	11,720
Transfers from Debt Reserve Fund	81	114
Bank loans	12,073	7,235
	36,916	27,181
Total finances acquired	$ 127,824	194,544
FINANCES APPLIED		
Issue expenses	$ 1,099	2,181
Advances to Regional Districts	88,900	163,509
Transfers to Debt Reserve Fund	909	1,673
	90,908	167,363
Bank loans	11,689	5,098
Retirement of long-term debt	22,726	19,407
Transfers to sinking funds — net	2,501	2,676
	36,916	27,181
Total finances applied	$ 127,824	194,544

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Notes to Financial Statements — All Funds

DECEMBER 31, 1984

1 Organization of Municipal Finance Authority of British Columbia and significant accounting policies

The Municipal Finance Authority of British Columbia (the "Authority"), created in 1970 by the Municipal Finance Authority of British Columbia Act (the "Act"), is the central borrowing agency for financing of capital requirements (other than for schools and hospitals) for regional districts and their member municipalities in the Province of British Columbia (the "Province"). The Authority issues its own debentures or other evidence of indebtedness and lends the proceeds to the regional districts on whose request the financing is undertaken. Obligations of the Authority are not obligations of the Province and are not directly or indirectly guaranteed by the Province.

The Authority follows the normal practice in local government accounting and maintains its accounts according to the principles of fund accounting, a technique by which its financial resources are segregated for specific activities or to attain certain objectives. Five funds are maintained. A brief description of each fund and its purpose is as follows:

OPERATING FUND

The Act provides for the establishment of an operating fund to meet the annual operating budget. For this purpose, the Authority may impose, annually, rates not exceeding the prescribed rates on all taxable land and improvements within the Province.

DEBT FUND

The Authority's financing activities on behalf of the regional districts in the Province are recorded in the Debt Fund.

CAPITAL REPAYMENT EQUALIZATION FUND

The Capital Repayment Equalization Fund is a repository for repayments from the regional districts under their loan agreements in advance of the Authority's requirements on its related indebtedness. Transfers, not exceeding the amount available in respect of each issue, are made to the Debt Fund to meet the Authority's obligations when due.

DEBT RESERVE FUND

Under the Act, the Authority is required to establish a Debt Reserve Fund. Each regional district sharing in the proceeds of a debt issue is required to pay into the Debt Reserve Fund an amount equal to one-half the average annual instalment of principal and interest in respect of its own borrowing together with one-half the average annual instalment of principal and interest as set out in the agreements entered into with the regional district by member municipalities in respect of their borrowings; such amount is payable either in full or in an amount equal to 1% of the principal amount borrowed with the balance secured by a non-interest bearing demand note.

If, at any time, the Authority does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions shall be made from the Debt Reserve Fund.

Notes to Financial Statements — All Funds / continued

MARKET DEVELOPMENT FUND

The development of markets for the Authority's debt issues is segregated in the Market Development Fund. It is funded by transfers from the Operating Fund.

A summary of significant accounting policies is as follows:

PRIOR YEAR'S SURPLUS

The Authority appropriates the prior year's surpluses to current revenue except the Debt Fund surplus which relates to the sinking funds.

INCOME RECOGNITION

The annual operating levy is recognized as revenue in the Operating Fund when the rates have been set by the Authority in March of each year. It is collected on behalf of the Authority by the municipalities in the Province and the Provincial Surveyor of Taxes and is payable to the Authority on August 1 each year.

OFFICE FURNITURE, FIXTURES AND EQUIPMENT

Office furniture, fixtures and equipment are written off in the year of acquisition.

INTEREST ACCRUALS

Interest is accrued only on investments. Accrued interest receivable from the regional districts under the loan agreements and accrued interest payable on the long-term debt are not recorded, except for unpaid matured interest coupons on coupon debentures which are recognized as accounts payable in the Debt Fund.

AMORTIZATION OF ISSUE COSTS

The issue costs are being amortized on a straight-line basis over the average lives of the debt issues to which they relate.

FOREIGN CURRENCY TRANSACTIONS

The long-term debt payable in foreign currencies is recorded in equivalent Canadian dollars at the exchange rates prevailing when the debt was incurred except the debt payable in U.S. dollars which is stated at the rate of $1 U.S. equals $1 Canadian.

The Authority does not adjust its assets and liabilities denominated in foreign currencies to reflect the exchange rates at the balance sheet date since, in the opinion of the Authority, its foreign exchange exposure is fully hedged by virtue of its contractual arrangements with the regional districts on whose behalf the financing is undertaken and/or by the application of certain sections of the Act which, essentially, provide that all monetary risks, including foreign currency risks, are obligations of the regional districts.

INVESTMENTS

Investments are carried at cost adjusted for amortization of premiums and accretion of discounts on a yield basis, except the investments in its own debentures which are carried at par value.

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1984

SINKING FUNDS

Under the Act, obligations of the Authority purchased for a sinking fund account together with interest, premium, or exchange derived from them shall be held to the credit of that sinking fund account and shall not be resold.

However, debentures purchased in anticipation of mandatory annual redemptions for sinking fund purposes are cancelled immediately in accordance with the terms of such issues.

2 Investments

Investments consist of securities of:

	1984		1983
	Par Value	Book Value	Book value
	(THOUSANDS OF DOLLARS)		
CAPITAL REPAYMENT EQUALIZATION FUND			
Government of Canada, direct or guaranteed	$ 19,163	13,885	399
Provincial governments, direct or guaranteed	5,471	5,282	3,466
Chartered banks, direct or guaranteed	39,615	38,575	35,827
Credit Unions in the Province	1,363	1,363	2,248
Regional Districts and Municipalities in the Province	976	941	1,359
The Authority	2,410	2,410	2,440
	$ 68,998	62,456	45,739
DEBT RESERVE FUND			
Government of Canada, direct or guaranteed	$ 5,278	4,961	3,066
Provincial governments, direct or guaranteed	10,544	10,438	8,623
Chartered banks, direct or guaranteed	14,215	14,179	13,499
Credit Unions in the Province	46	42	41
	$ 30,083	29,620	25,229

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1984

3 Loans to Regional Districts

Loans to regional districts include $308,790,274 (1983 — $322,389,629) denominated in U.S. dollars.

Under the Act, each regional district sharing in the proceeds of a debt issue must pay over to the Authority such sums as are required to discharge its obligations to the Authority in respect of such debt issue, but if the scheduled payments provided for under the loan agreement are not sufficient to meet the Authority's obligations in respect of that debt issue, the deficiency is a liability of the regional district to the Authority.

At the exchange rates prevailing at December 31, 1984, the scheduled payments under the agreements with the regional districts in respect of the debts payable in Swiss francs and Deutschemarks will not provide sufficient funds to meet the Authority's related obligations when due. Such deficiencies may be met from the Debt Reserve Fund.

The aggregate principal payments recoverable from the regional districts in each of the next five years are as follows:

	1984	1983
	(THOUSANDS OF DOLLARS)	
1984	$	37,870
1985	41,895	38,859
1986	41,829	38,793
1987	42,192	39,156
1988	43,590	40,554
1989	45,143	
	$ 214,649	195,232

4 Deferred receivables from Regional Districts

In 1978, the Authority redeemed the 6% bond issue of Swiss francs 50,000,000 from the proceeds of a bank loan in the amount of Swiss francs 51,600,000. As a result, the Authority incurred an exchange loss of $23,055,505, being the difference between the Canadian dollar equivalent of Swiss francs 50,000,000 at the date of borrowing in 1972 and the Canadian dollar equivalent of Swiss francs 50,000,000 used from the proceeds of the bank loan to finance the redemption.

Under the terms of the loan agreements with the regional districts which participated in the original issue, the exchange loss is a liability of the regional districts to the Authority. Accordingly, it has been recorded in the accounts as Deferred receivables from Regional Districts.

For the remainder of the term of the loan agreements, the Authority will recover additional amounts, on a sinking fund basis, from the regional districts so that, at the end of the term of such loan agreements, a fund, the contributions to which will have been adjusted for exchange rate variations on a cumulative basis, will be available to retire the related foreign currency debt. The additional payments from the regional districts are credited to the Deferred receivables from Regional Districts account.

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1984

5
Due to sinking and other funds

The Authority may invest sinking fund and Capital Repayment Equalization Fund monies in its own securities maturing not later than the debentures for which the sinking fund or Capital Repayment Equalization Fund account was created.

In addition to its own debentures purchased under this provision, loans to the Debt Fund totalling $456,032 (1983 — $562,483) together with accrued interest of $7,815 (1983 — $2,242) were outstanding at December 31, 1984. Like the debentures, the loans are included in the sinking fund assets and in investments and receivables in the Capital Repayment Equalization Fund and they have not been eliminated in the combined statements.

6
Debt Reserve Fund

The amounts due to the regional districts will be repaid to them when they have made the final payment under their respective loan agreements. If, at any time, the Authority does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions must be made from the Debt Reserve Fund. During 1984, deficiencies of $489,132 (1983 — $735,144) in the amounts of funds available to meet the principal and interest payments on the Deutschemark loan and the interest payment on the Swiss franc loan have been met by transfers from the Debt Reserve Fund. Such deficiencies are recovered in the following year from the participating regional districts under the terms of their loan agreements.

The Board of Trustees of the Authority may levy or impose upon substantially all taxable land and improvements within the Province a rate sufficient to maintain the Debt Reserve Fund at a level not exceeding the amount which would have been in the fund had no such payments been made. Further, the Board of Trustees must impose such rate when the balance in the fund is less than fifty percent of the amount that would have been in the fund had no such payments been made.

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1984

7 Long-term debt

The aggregate long-term debt maturities and sinking fund requirements in each of the next five years are as follows (including the debt payable in European currencies at the exchange rates prevailing at December 31, 1984 and provision for early redemptions at the option of the bondholder):

	1984	1983
	(THOUSANDS OF DOLLARS)	
1984	$	17,329
1985	100,051	104,967
1986	167,871	168,003
1987	212,153	155,136
1988	124,718	124,750
1989	50,370	
	$ 655,163	570,185

Since the maturities of certain of the Authority's debt issues and the related loans to the regional districts do not coincide, refunding of all, or a portion, of such debt issues will be required in future years.

8 Foreign currencies

The long-term debt payable includes the following amounts payable in foreign currencies:

		1984	1983
United States dollars	U.S.$	297,988,000	312,883,000
Swiss francs	SFr	51,600,000	51,600,000
Deutschemarks	DM	6,600,000	7,425,000

No exchange gains or losses accrue to the Authority in respect of the debt payable in U.S. dollars since the related loans to the regional districts are denominated in U.S. dollars and the loan agreements provide for repayment to the Authority in U.S. dollars. In the case of other long-term debt denominated in European currencies, the Authority is not at exchange risk (see Note 1).

9 Sinking funds

The annual deposits to the sinking funds for issues payable in Canadian dollars are based on an interest rate of 5% per annum, capitalized yearly.

Certain debt issues are subject to specific annual redemptions for sinking fund purposes. By purchasing the debentures at discount in the open market in anticipation of the sinking fund requirements, the Authority has, to December 31, 1984, retired $17,037,000 (1983 — $14,612,000) of such debt in advance of the scheduled redemptions for sinking fund purposes.

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1984

The assets and the surpluses of the sinking funds are as follows:

	1984		1983
	Par Value	Book Value	Book Value
	(THOUSANDS OF DOLLARS)		
Securities of:			
Government of Canada, direct or guaranteed	$ 14,923	5,216	324
Provincial governments, direct or guaranteed	10,382	6,335	4,550
Chartered banks, direct or guaranteed	6,354	5,969	2,703
Credit Unions in the Province	25	25	1,669
Regional Districts and Municipalities in the Province	1,555	1,377	1,239
The Authority	28,248	28,248	26,919
	$ 61,487	47,170	37,404
Cash		101	99
Accrued interest and other		580	555
Total assets		47,851	38,058
Accumulated actuarial requirements for retirement of the related debt		29,695	24,578
Excess of assets over accumulated actuarial requirements		$ 18,156	13,480

10 Capital Repayment Equalization Fund — surplus

The surplus relates directly to specific debt issues and, if not otherwise appropriated for payment of principal and/or interest during the term of such issues, will be paid over to the regional districts for which the financing was undertaken.

11 Commitments

The minimum future rental commitments for premises and equipment are as follows:

	Premises	Equipment	Total
1985	$ 55,272	23,168	78,440
1986	55,272	22,059	77,331
1987	55,272	21,107	76,379
1988	55,272	16,680	71,952
1989	56,588	9,360	65,948
1990-1994	305,312	—	305,312

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Debt Fund — Schedule of Long-Term Debt

DECEMBER 31, 1984 — WITH COMPARATIVE FIGURES FOR 1983
THOUSANDS OF DOLLARS

Issue	Year of issue	Maturity date	Interest rate percent	Currency of payment	Original amount
1	1971	October 1, 1996	8.375	United States	$ 20,000
2	1971	December 1, 1985-1996	7.750	Canadian	1,259
3	1972	March 1, 1992	7.750	Canadian	1,675
		March 1, 1997	7.750	Canadian	2,575
4	1972	October 1, 1985-1992	6.750	West German	4,618
5	1978	November 15, 1987	6.000	Swiss	37,188
6	1973	June 1, 1985-1993	8.125	Canadian	8,727
7	1974	March 1, 1985-1989	9.000	Canadian	887
		March 1, 1994	9.000	Canadian	6,462
8	1974	April 15, 1984	8.500	Canadian	1,764
9	1974	April 16, 1994	9.000	Canadian	6,800
11	1974	September 3, 1984	10.375	Canadian	2,000
		September 3, 1985-1994	10.750	Canadian	5,000
12	1975	January 15, 2000	9.750	United States	34,500
		January 15, 1984	9.420	Canadian	40
14	1975	April 1, 1985	9.500	Canadian	535
16	1975	September 2, 1984	10.250	Canadian	820
		September 2, 1985	10.375	Canadian	910
		September 2, 1995	10.750	Canadian	5,000
17	1975	November 1, 2000	9.875	United States	37,000
18	1976	May 1, 2001	8.875	United States	52,500
19	1976	October 15, 2001	8.750	United States	50,000
		October 15, 1986	8.200	United States	10,000
20	1977	June 1, 1985/1997	9.000	Canadian	25,000
		June 1, 1997	9.875	Canadian	20,000
21	1977	December 1, 1985-1987	8.750	Canadian	1,227
		December 1, 1988-1992	9.250	Canadian	961
		December 1, 1997	9.500	Canadian	33,500
		December 1, 2002	9.500	Canadian	7,000
22	1978	June 1, 1998	9.250	United States	29,363
		June 1, 2003	9.375	United States	4,737
23	1978	November 15, 1985-1988	9.500	Canadian	1,150
		November 15, 1989-1993	9.625	Canadian	890
		November 15, 1998	9.950	Canadian	30,000
A23	1978	November 15, 1998	9.950	Canadian	6,735
		November 15, 2003	10.000	Canadian	3,265
24	1979	May 15, 1989/1999	10.250	Canadian	24,000
25	1979	December 6, 1999	12.250	Canadian	54,100
				Carried forward	

Schedule

December 31, 1984			December 31, 1983	
Outstanding	Sinking funds	Long-term debt, net	Long-term debt, net	References
11,791	1,436	10,355	11,670	(1)
751	—	751	809	
1,675	318	1,357	1,522	(2)
2,575	284	2,291	2,437	(2)
2,032	—	2,032	2,286	(3)
37,188	—	37,188	37,188	
8,128	—	8,128	8,727	(4)
887	—	887	887	(4)
6,462	3,804	2,658	3,282	(2) (4)
—	—	—	284	
6,800	3,963	2,837	3,499	(2)
—	—	—	400	(4)
5,000	—	5,000	5,000	(4)
18,007	—	18,007	21,035	(5)
—	—	—	6	(4)
78	—	78	149	(4)
—	—	—	820	(4)
910	—	910	910	(4)
5,000	—	5,000	5,000	(6)
25,795	1,422	24,373	26,791	(7)
32,188	160	32,028	36,412	(8)
38,015	—	38,015	38,137	(9)
4,444	—	4,444	6,594	(1)
25,000	—	25,000	25,000	(10)
20,000	8,252	11,748	13,130	(2) (4)
797	—	797	1,021	(4)
961	—	961	961	(4)
33,500	12,173	21,327	23,369	(4)
7,000	1,763	5,237	5,615	(2) (4)
25,339	—	25,339	26,166	(1)
4,337	—	4,337	4,419	(1)
960	—	960	1,150	(4)
890	—	890	890	(4)
30,000	9,651	20,349	22,150	(2) (4)
6,735	2,167	4,568	5,040	(2) (4)
3,265	728	2,537	2,697	(2) (4)
24,000	—	24,000	24,000	(11)
47,815	—	47,815	49,425	(12)
438,325	46,121	392,204	418,878	

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Schedule of Long-Term Debt / continued

DECEMBER 31, 1984 — WITH COMPARATIVE FIGURES FOR 1983
THOUSANDS OF DOLLARS

Issue	Year of issue	Maturity date	Interest rate percent	Currency of payment	Original amount
			Brought forward		
26	1979	December 6, 2004	12.250	Canadian	11,133
27	1980	June 2, 1985-1986	11.375	Canadian	62,705
28	1980	December 1, 2005	13.750	United States	90,000
29	1981	April 29, 1986	13.625	Canadian	95,000
30	1981	October 28, 1985/1997	17.000	United States	54,000
31	1982	June 30, 1987	16.750	Canadian	102,600
32	1982	October 27, 1988	13.625	Canadian	100,000
33	1983	June 15, 1993	11.750	Canadian	25,000
		June 15, 2003	12.375	Canadian	63,300
34	1983	November 22, 1993	12.000	Canadian	58,000
		November 22, 1993	12.125	Canadian	21,000
35	1984	May 15, 1987/1990	12.625	Canadian	60,300
36	1984	December 5, 2004	13.000	Canadian	30,500

Canadian
United States
Swiss
West German

Schedule

December 31, 1984			December 31, 1983	
Outstanding	Sinking funds	Long-term debt, net	Long-term debt, net	References
$ 438,325	46,121	392,204	418,878	
11,133	1,730	9,403	9,805	(2) (13)
53,740	—	53,740	56,355	(14)
84,072	—	84,072	86,200	(15)
95,000	—	95,000	95,000	(4) (16)
54,000	—	54,000	54,000	(17)
102,600	—	102,600	102,600	(4)
100,000	—	100,000	100,000	(4)
23,510	—	23,510	24,210	(1)
63,300	—	63,300	63,300	(1)
58,000	—	58,000	58,000	(4)
21,000	—	21,000	21,000	(18)
60,300	—	60,300	—	(4) (19)
30,500	—	30,500	—	(20)
$ 1,195,480	47,851	1,147,629	1,089,348	

$	858,272
	297,988
	37,188
	2,032
$	1,195,480

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Debt Fund — References to Schedule of Long-Term Debt

DECEMBER 31, 1984

1	Non-callable except for sinking fund purposes.
2	The sinking fund has been calculated to provide for retirement of the issue at maturity.
3	Callable on October 1, 1985 and annually thereafter at 101.75% reducing to 100.25% in 1991. Callable annually, also, at 101% in 1985 reducing to 100% in 1991, upon the imposition of withholding taxes.
4	Non-callable prior to maturity.
5	Non-callable prior to January 15, 1990 except for sinking fund purposes. Callable on January 15, 1990 and thereafter at any time at 103.50% reducing to 100% on or after January 16, 1999.
6	The sinking fund to provide for retirement of the issue at maturity will begin in 1986.
7	Non-callable prior to November 1, 1990 except for sinking fund purposes. Callable on November 1, 1990 and thereafter at any time at 103.25% reducing to 100% on or after November 2, 1998.
8	Non-callable prior to May 1, 1991 except for sinking fund purposes. Callable on May 1, 1991 and thereafter at any time at 102.75% reducing to 100% on or after May 2, 1999.
9	Non-callable prior to October 15, 1991 except for sinking fund purposes. Callable on October 15, 1991 and thereafter at any time at 102.75% reducing to 100% on or after October 16, 1999.
10	Redeemable at holder's option on June 1, 1985, 1988, 1991 or 1994. Callable upon the imposition of withholding taxes at 101.50% reducing to 100.25% over the remainder of the term to maturity.
11	Redeemable at holder's option on May 15, 1989 or 1994. Callable on May 15, 1985 and annually thereafter at 101% if called on or before May 15, 1994 and at 100.50% thereafter. Callable also, at any time, upon the imposition of withholding taxes, at 101% if called on or before May 15, 1994 and at 100.50% thereafter.
12	Non-callable prior to December 6, 1994 except for sinking fund purposes. Callable on December 6, 1994 and thereafter at any time at 100%.

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Debt Fund — References to Schedule of Long-Term Debt / continued

DECEMBER 31, 1984

13 Callable on December 6, 1997 and thereafter at any time at 100%.

14 Callable at 101.75% on June 2, 1985.

15 Non-callable prior to December 1, 1995 except for sinking fund purposes. Callable on December 1, 1995 and thereafter at any time at 105.02% reducing to 100% on or after December 1, 2004.

16 Exchangeable at holder's option for bonds maturing on April 29, 2001 and bearing interest at the rate of 14% per annum from April 29, 1986.

17 Redeemable at 100% at holder's option on October 28, 1985, 1989 or 1993; callable at 100% on October 28, 1985, 1989 or 1993. Callable also at 100%, at any time, upon the imposition of withholding taxes. The interest rate is effective until October 28, 1985. It will be reset by the Authority on that date and on October 28, 1989 and 1993.

18 Non-callable prior to maturity unless lender so agrees.

19 Redeemable at holder's option on May 15, 1987.

20 Non-callable prior to December 5, 1999 except for sinking fund purposes. Callable on December 5, 1999 and thereafter at 100%.

Ten Year Review — Combined Funds

THOUSANDS OF DOLLARS

	1984	1983	1982	1981
ASSETS				
Cash	$ 3,658	1,749	2,348	415
Receivables	1,724	1,951	1,226	992
Investments	92,076	70,968	49,611	39,863
Demand notes receivable from Regional Districts	77,863	71,867	61,703	48,906
Loans to Regional Districts	1,127,416	1,074,500	939,718	787,185
Deferred receivables from Regional Districts	21,573	21,573	21,573	21,573
Unamortized issue costs	1,100	1,312	1,525	1,555
Total assets	$1,325,410	1,243,920	1,077,704	900,489
LIABILITIES AND SURPLUS				
Accounts payable and unpresented matured debt	$ 2,507	2,697	2,012	202
Due to banks	4,939	4,615	2,380	14,760
Due to sinking and other funds	464	564	1,302	—
Reserves for office relocation and data processing implementation	66	109	75	45
Due to Regional Districts	108,430	97,805	83,411	65,903
Long-term debt, net	1,147,629	1,089,348	950,432	792,509
Total liabilities	1,264,035	1,195,138	1,039,612	873,419
Surplus	61,375	48,782	38,092	27,070
Total liabilities and surplus	$1,325,410	1,243,920	1,077,704	900,489
REVENUE				
Prior year's surplus appropriated	$ 25,416	20,985	15,772	10,945
Operating levy	351	350	352	309
Recoveries from new issues	190	65	62	55
Gains on purchases of own debentures	2,207	2,459	4,674	6,351
Interest from investments	15,107	11,381	9,380	6,173
Interest from loans to Regional Districts	137,420	121,061	98,158	78,144
Recovery of deficiencies from Regional Districts	735	201	486	1,050
Allocations from Regional Districts	—	—	—	—
Other	184	205	664	46
Total revenue	181,610	156,707	129,548	103,073
EXPENDITURE				
Legislative	57	48	51	44
Administrative	467	352	340	313
Interest	138,879	121,681	98,964	77,175
Amortization of issue and redemption costs	213	213	248	286
Allocations to Regional Districts	3,903	2,675	3,113	3,036
Other	82	63	37	(8)
Total expenditure	143,601	125,032	102,753	80,846
Excess of revenue over expenditure for the year	38,009	31,675	26,795	22,227
Surplus at beginning of the year not appropriated to current revenue	23,366	17,107	11,297	4,843
Surplus at end of the year	$ 61,375	48,782	38,092	27,070

1980	1979	1978	1977	1976	1975
633	383	201	175	178	269
589	662	1,862	368	811	3,661
30,540	27,883	18,993	16,235	11,112	8,086
37,374	27,686	22,467	18,493	13,760	8,670
659,338	524,094	450,270	385,900	306,795	199,836
21,787	22,167	23,055	—	—	—
1,612	1,714	1,464	1,379	1,039	1,252
751,873	604,589	518,312	422,550	333,695	221,774
473	212	94	111	77	113
2,684	—	972	—	—	—
2,831	—	—	—	—	—
25	78	44	25	12	13
50,186	36,957	29,945	25,431	19,605	16,384
679,886	557,492	481,337	391,971	311,173	203,034
736,085	594,739	512,392	417,538	330,867	219,544
15,788	9,850	5,920	5,012	2,828	2,230
751,873	604,589	518,312	422,550	333,695	221,774
8,329	5,164	4,637	2,596	2,120	759
270	225	205	210	182	174
48	39	36	—	—	—
2,921	503	244	7	37	27
3,989	2,766	1,880	1,340	973	557
56,434	44,360	37,975	30,683	21,300	11,268
1,662	1,666	664	295	232	79
—	—	115	—	—	—
—	—	—	—	—	—
73,653	54,723	45,756	35,131	24,844	12,864
48	43	40	36	29	26
240	228	205	179	167	118
56,050	42,807	38,675	29,543	21,208	10,142
342	328	1,071	236	213	148
2,512	1,909	—	236	425	198
195	314	221	121	84	49
59,387	45,629	40,212	30,351	22,126	10,681
14,266	9,094	5,544	4,780	2,718	2,183
1,522	756	376	232	110	47
15,788	9,850	5,920	5,012	2,828	2,230

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1984 $(000)	INTEREST
2	7¾% Serial Debentures due December 1, 1972-1996	December 1, 1971	1,258	751	Semi-annual June 1 December 1
3	7¾% Sinking Fund Debentures due March 1, 1992	March 1, 1972	1,675	1,675	Semi-annual March 1 September 1
	7¾% Sinking Fund Debentures due March 1, 1997	"	2,575	2,575	"
6	8⅛% Serial Debentures due June 1,1984-1993	June 1, 1973	8,727	8,128	Semi-annual June 1 December 1
7	9% Instalment Debentures due March 1, 1985-1989	March 1, 1974	887	887	Semi-annual March 1 September 1
	9% Sinking Fund Debentures due March 1, 1994	"	6,462	6,462	"
9	9% Sinking Fund Debenture due April 16, 1994	April 16, 1974	6,800	6,800	Semi-annual April 16 October 16
11	10¾% Instalment Debentures due September 3, 1985- 1994	September 3, 1974	5,000	5,000	Semi-annual March 3 September 3
14	9½% Serial Debentures due April 1, 1976- 1985	April 1, 1975	535	78	Semi-annual April 1 October 1

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon — $1,000	Non-callable	1985 — 62 1986 — 67 1987 — 72 1988 — 77 1989 — 83	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — $1,000	Non-callable	Annual deposits 1983-1992	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits 1983-1997	"	
Coupon — $1,000	Non-callable	1985 — 648 1986 — 701 1987 — 757 1988 — 819 1989 — 886	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — $1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	1985 — 150 1986 — 163 1987 — 177 1988 — 192 1989 — 205	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits 1975-1994	"	
Fully registered	Non-callable	Annual deposits 1975-1994	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	1985 — 500 1986 — 500 1987 — 500 1988 — 500 1989 — 500	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	1985 — 78	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7

continued

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1984 $(000)	INTEREST
16	10⅜% Instalment Debentures due September 2, 1985	September 2, 1975	910	910	Semi-annual March 2 September 2
	10¾% Sinking Fund Debentures due September 2, 1995	"	5,000	5,000	"
20	9⅞% Sinking Fund Debentures due June 1, 1997	June 15, 1977	20,000	20,000	Semi-annual June 1 December 1
21	8¾% Serial Debentures due December 1, 1983-1987	December 1, 1977	1,227	797	Semi-annual June 1 December 1
	9¼% Serial Debentures due December 1, 1988-1992	"	961	961	"
	9½% Sinking Fund Debentures due December 1, 1997	"	33,500	33,500	"
	9½% Sinking Fund Debentures due December 1, 2002	"	7,000	7,000	"
23	9½% Serial Debentures due November 15, 1984-1988	November 15, 1978	1,150	960	Semi-annual May 15 November 15
	9⅝% Serial Debentures due November 15, 1989-1993	"	890	890	"
	9.95% Sinking Fund Debentures due November 15, 1998	"	30,000	30,000	"

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon — $1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	1985 — 910	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	"	Annual deposits 1986-1995	"	
Coupon — $1,000 Coupon — $5,000 Coupon — $25,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	Annual deposits 1978-1997	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — $1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	1985 — 244 1986 — 265 1987 — 288	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	1988 — 160 1989 — 175	"	
Coupon — $1,000 Coupon — $5,000 Coupon — $25,000 Fully registered $1,000 and multiples thereof. Exchangeable	"	Annual deposits 1978-1997	"	
"	"	Annual deposits 1978-2002	"	
Coupon — $1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	1985 — 208 1986 — 228 1987 — 250 1988 — 274	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	1989 — 147	"	
Coupon — $1,000 Coupon — $5,000 Coupon — $25,000 Fully registered $1,000 and multiples thereof. Exchangeable	"	Annual deposits 1979-1998	"	

continued

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1984 $(000)	INTEREST
A23	9.95% Sinking Fund Debentures due November 15, 1998	November 15, 1978	6,735	6,735	Semi-annual May 15 November 15
	10% Sinking Fund Debentures due November 15, 2003	"	3,265	3,265	"
25	12¼% Sinking Fund Debentures due December 6, 1999	December 6, 1979	54,100	47,815	Semi-annual June 6 December 6
26	12¼% Sinking Fund Debentures due December 6, 2004	December 6, 1979	11,133	11,133	Semi-annual June 6 December 6
27	11⅜% Instalment Debentures due June 2, 1981-1986	June 2, 1980	62,705	53,740	Semi-annual June 2 December 2
29	13⅝% Bonds due April 29, 1986	April 29, 1981	95,000	95,000	Semi-annual April 29 October 29

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Fully registered $1,000 and multiples thereof	Non-callable	Annual deposits 1979 -1998	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits 1979-2003	"	
Coupon — $1,000 Coupon — $5,000 Coupon — $25,000 Fully registered $1,000 and multiples thereof. Exchangeable	Callable at par on or after Dec. 6, 1994. Callable also for sinking fund purposes	1985 — 1,500 1986 — 1,700 1987 — 1,900 1988 — 2,100 1989 — 2,300	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered $1,000 and multiples thereof	Callable at par on or after Dec. 6, 1997	Annual deposits 1980-2004	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered $1,000 and multiples thereof	Callable June 2, 1985 — 101.75%	1985 — 2,915 1986 — 50,825	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — $1,000 Coupon — $25,000 Coupon — $100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	Exchangeable at holder's option for Bonds due April 29, 2001 with interest at 14% from April 29, 1986. Right may be exercised after April 29, 1985 and prior to October 29, 1985	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7

continued

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1984 $(000)	INTEREST
31	16¾% Debentures due June 30, 1987	September 1, 1982	102,600	102,600	Semi-annual June 30 December 31
32	13⅝% Bonds due October 27, 1988	October 27, 1982	100,000	100,000	Semi-annual April 27 October 27
33	12⅜% Sinking Fund Debentures due June 15, 2003	June 15,1983	63,300	63,300	Semi-annual June 15 December 15
34	12% Bonds due November 22, 1993	December 15, 1983	58,000	58,000	Semi-annual May 22 November 22
35	12⅝% Retractable Debentures due May 15, 1990	May 15, 1984	60,300	60,300	Semi-annual May 15 November 15
36	13% Sinking Fund Debentures due December 5, 2004	December 5, 1984	30,500	30,500	Semi-annual June 5 December 5

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon — $1,000 Coupon — $25,000 Coupon — $100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — $1,000 Coupon — $25,000 Coupon — $100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — $1,000 Coupon — $25,000 Coupon — $100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes	Sinking fund will begin in 1994	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — $1,000 Coupon — $25,000 Coupon — $100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — $1,000 Coupon — $25,000 Coupon — $100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	Retractable at holder's option on May 15, 1987. Right may be exercised after November 15, 1986 and prior to February 18, 1987	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — $1,000 Coupon — $25,000 Coupon — $100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Callable at par on or after December 5, 1999	Annual deposits 1985-2004	N/A	Municipal Finance Authority of British Columbia 100-880 Douglas St. Victoria, B.C. V8W 2B7

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Europe

ISSUE	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1984 $(000)	INTEREST
20	9% Bonds due June 1, 1985/1997	June 1, 1977	25,000	25,000	Annual June 1
24	10¼% Bonds due May 15, 1989/1999	May 15, 1979	24,000	24,000	Annual May 15
33	11¾% Bonds due June 15, 1993	June 15, 1983	25,000	23,510	Annual June 15

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

U.S. Dollar Bonds Issued in Europe

ISSUE	DESCRIPTION	DATED	AUTHORIZED U.S. $(000)	OUTSTANDING DECEMBER 31, 1984 U.S. $(000)	INTEREST
30	Retractable Bonds due October 28, 1985/1997	October 28, 1981	54,000	54,000	Annual October 28 Rate 17% until October 1985. Rate will be reset from October 28, 1985, 1989 and 1993

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS $(000)	RETRACTION	PRINCIPAL PAYING AGENT/TRUSTEE/ STOCK EXCHANGE LISTING
Coupon — $1,000	Non-callable except upon imposition of withholding taxes	None	Retractable at par at option of holder on June 1, 1985, 1988, 1991 or 1994. Right may be exercised no more than 360 or less than 90 days prior to June 1	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg
Coupon — $1,000	Callable on May 15, 1984 and annually thereafter until May 15, 1994 at 101%, from May 15, 1995 at 100.50%	None	Retractable at par at option of holder on May 15, 1989 or 1994. Right may be exercised no more than 360 or less than 90 days prior to May 15	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg
Coupon — $1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes	1985 — 1,679 1986 — 1,871 1987 — 2,087 1988 — 2,327 1989 — 2,507	N/A	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. $(000)	RETRACTION	PRINCIPAL PAYING AGENT/TRUSTEE/ STOCK EXCHANGE LISTING
Coupon — U.S. $1,000	Callable at par on October 28, 1985, 1989, or 1993	None	Retractable at par at option of holder on October 28, 1985, 1989 or 1993. Right may be exercised irrevocably not more than 60 days or less than 30 days prior to Oct. 28	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

U.S. Dollar Bonds Issued in the United States

ISSUE	DESCRIPTION	DATED	AUTHORIZED U.S. $(000)	OUTSTANDING DECEMBER 31, 1984 U.S. $(000)	INTEREST
1	8⅜% Sinking Fund Debentures due October 1, 1996	October 1, 1971	20,000	11,791	Semi-annual April 1 October 1
12	9¾% Sinking Fund Debentures due January 15, 2000	January 15, 1975	34,500	18,007	Semi-annual January 15 July 15
17	9⅞% Sinking Fund Debentures due November 1, 2000	November 1, 1975	37,000	25,795	Semi-annual May 1 November 1
18	8⅞% Sinking Fund Debentures due May 1, 2001	May 1, 1976	52,500	32,188	Semi-annual May 1 November 1

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. $(000)	AUTHENTICATING AND PAYING AGENT
Fully registered U.S. $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes	1985 — 984 1986 — 1,066 1987 — 1,149 1988 — 1,246 1989 — 1,350	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes prior to Jan. 15, 1990. To Jan. 15, 1993 — 103.50% To Jan. 15, 1996 — 102.25% To Jan. 15, 1999 — 101%	1985 — 2,620 1986 — 1,550 1987 — 1,376 1988 — 1,509 1989 — 1,657	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes prior to Nov. 1, 1990. To Nov. 1, 1993 — 103.25% To Nov. 1, 1996 — 101.75% To Nov. 1, 1998 — 100.75%	1985 — 1,583 1986 — 1,552 1987 — 1,705 1988 — 1,873 1989 — 2,059	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes prior to May 1, 1991. To May 1, 1994 — 102.75% To May 1, 1997 — 101.50% To May 1, 1999 — 100.75%	1985 — 2,265 1986 — 2,461 1987 — 2,122 1988 — 2,310 1989 — 2,515	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005

continued

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

U.S. Dollar Bonds Issued in the United States

ISSUE	DESCRIPTION	DATED	AUTHORIZED U.S. $(000)	OUTSTANDING DECEMBER 31, 1984 U.S. $(000)	INTEREST
19	8¾% Sinking Fund Debentures due October 15, 2001	October 15, 1976	50,000	38,015	Semi-annual April 15 October 15
	8.2% Sinking Fund Debentures due October 15, 1986	"	10,000	4,444	"
22	9¼% Sinking Fund Debentures due June 1, 1998	June 1, 1978	29,363	25,339	Semi-annual June 1 December 1
	9⅜% Sinking Fund Debentures due June 1, 2003	"	4,737	4,337	"
28	13¾% Sinking Fund Debentures due December 1, 2005	December 1, 1980	90,000	84,072	Semi-annual June 1 December 1

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. $(000)	AUTHENTICATING AND PAYING AGENT
Fully registered U.S. $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes prior to Oct. 15, 1991. To Oct. 15, 1994 — 102.75% To Oct. 15, 1997 — 101.625% To Oct. 15, 1999 — 100.625%	1985 — 211 1986 — 114 1987 — 2,578 1988 — 2,801 1989 — 3,045	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
"	Non-callable except for sinking fund purposes	1985 — 2,350 1986 — 2,094	
Fully registered U.S. $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes. Optional redemption — Tenders may be called from all holders	1985 — 904 1986 — 987 1987 — 1,078 1988 — 1,178 1989 — 1,210	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
"	"	1985 — 91 1986 — 99 1987 — 108 1988 — 118 1989 — 130	
Fully registered U.S. $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes prior to Dec. 1, 1995. On Dec. 1, 1995 and thereafter at 105.02% declining by 0.56% on each Dec. 1, to 100% on or after Dec. 1, 2004	1985 — 1,857 1986 — 2,054 1987 — 2,337 1988 — 2,660 1989 — 3,027	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005